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6
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8
9 **BEFORE THE**
CALIFORNIA BOARD OF ACCOUNTANCY
10 **DEPARTMENT OF CONSUMER AFFAIRS**
11 **STATE OF CALIFORNIA**

12 In the Matter of the Accusation Against:

13 **CHRISTINE B. HOBERG**
1560 Arbor Avenue
14 Los Altos, California 94024
15 Certified Public Accountant
Certificate No. 39902,

16
17 Respondent.

Case No. AC 2004-19

OAH No. [Unassigned]

**STIPULATED SETTLEMENT AND
DISCIPLINARY ORDER**

18 IT IS HEREBY STIPULATED AND AGREED by and between the parties to the
19 above-entitled proceedings that the following matters are true:

20 **PARTIES and JURISDICTION**

21 1. Complainant Carol Sigmann is the Executive Officer of the California
22 Board of Accountancy. She brought this action solely in her official capacity and is represented
23 in this matter by Bill Lockyer, Attorney General of the State of California, by Jeanne C. Werner,
24 Deputy Attorney General.

25 2. Christine B. Hoberg is the Respondent in this matter, and is represented in
26 this proceeding by attorney Leigh A. Kirmssé, whose firm address is Legal Strategies Group,
27 5905 Christie Avenue, Emeryville, California 94608-1925.

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1 3. On or about March 16, 1984, the California Board of Accountancy
2 ("Board") issued Certified Public Accountant Certificate No. 39902 to Respondent Christine B.
3 Hoberg. The relevant license history is accurately set forth in paragraph 2 of Accusation No. AC
4 2004-19. The Certificate expired on July 1, 2001, and has not been renewed.

5 4. Accusation No. AC 2004-19 was filed before the Board on January 22,
6 2004, and is currently pending against Respondent. A copy of the Accusation and all other
7 statutorily required documents were properly served on Respondent on January 23, 2004.
8 Respondent has timely filed a Notice of Defense contesting the Accusation. A copy of
9 Accusation No. AC 2004-19 is attached as Exhibit A and incorporated herein by reference.

10 **ADVISEMENT AND WAIVERS**

11 5. Respondent has carefully read, fully discussed with counsel, and
12 understands the charges and allegations in Accusation No. AC 2004-19. Respondent has also
13 carefully read, fully discussed with counsel, and understands the effects of this Stipulated
14 Settlement and Disciplinary Order.

15 6. Respondent is fully aware of her legal rights in this matter, including the
16 right to a hearing on the charges and allegations in the Accusation; the right to be represented by
17 counsel at her own expense; the right to confront and cross-examine the witnesses against her;
18 the right to present evidence and to testify on her own behalf; the right to the issuance of
19 subpoenas to compel the attendance of witnesses and the production of documents; the right to
20 reconsideration and court review of an adverse decision; and all other rights accorded by the
21 California Administrative Procedure Act and other applicable laws.

22 7. Respondent voluntarily, knowingly, and intelligently waives and gives up
23 each and every right set forth above.

24 **ADMISSIONS AND OTHER STIPULATIONS**

25 8. Respondent admits the truth of the Board's charge in Accusation No. AC
26 2004-19, that is, that her right to appear as an accountant before the United States Securities and
27 Exchange Commission was suspended by said Commission effective September 24, 2003, thus

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1 providing cause for discipline of her CPA Certificate (Business & Professions Code Section
2 5100(h)).

3 9. Respondent agrees that her Certified Public Accountant Certificate is
4 subject to discipline and she agrees to be bound by the Board's imposition of discipline as set
5 forth in the Disciplinary Order below.

6 10. Respondent acknowledges that the Board's costs of investigation and
7 prosecution in this matter total \$2,616.22. Respondent expressly agrees that, should Respondent
8 seek reinstatement of her certificate in the future, she will, prior to the Board's consideration of
9 her petition for reinstatement, reimburse the Board this amount as its reasonable costs incurred in
10 this action.

11 11. Respondent's offer of settlement is contingent upon the parties' mutual
12 understanding that Respondent may petition the Board for reinstatement of her CPA Certificate
13 after a period of not less than one year has elapsed from the effective date of the Board's decision
14 in this case. The parties agree that this stipulation does not affect the exercise of the Board's
15 discretion on any such petition.

16 12. This stipulation shall be subject to approval by the California Board of
17 Accountancy. Respondent understands and agrees that counsel for Complainant and the staff of
18 the California Board of Accountancy may communicate directly with the Board regarding this
19 stipulation and settlement, without notice to or participation by Respondent or her counsel. By
20 signing the stipulation, Respondent understands and agrees that she may not withdraw her
21 agreement or seek to rescind the stipulation prior to the time the Board considers and acts upon
22 it. If the Board fails to adopt this stipulation as its Decision and Order, the Stipulated Settlement
23 and Disciplinary Order shall be of no force or effect, except for this paragraph, it shall be
24 inadmissible in any legal action between the parties, and the Board shall not be disqualified from
25 further action by having considered this matter.

26 13. The parties understand and agree that facsimile copies of this Stipulated
27 Settlement and Disciplinary Order, including facsimile signatures thereto, shall have the same
28 force and effect as the originals.

1 14. In consideration of the foregoing admissions and stipulations, the parties
2 agree that the Board may, without further notice or formal proceeding, issue and enter the
3 following Disciplinary Order:

4 DISCIPLINARY ORDER

5 IT IS HEREBY ORDERED that Certified Public Accountant Certificate No.
6 39902 issued to Respondent Christine B. Hoberg is revoked.

7 ACCEPTANCE

8 I have carefully read the above Stipulated Settlement and Disciplinary Order and
9 have fully discussed it with my attorney, Leigh A. Kirmsse. I understand the stipulation and the
10 effect it will have on my Certified Public Accountant Certificate. I enter into this Stipulated
11 Settlement and Disciplinary Order voluntarily, knowingly, and intelligently, and agree to be
12 bound by the Decision and Order of the California Board of Accountancy.

13 DATED: January 28, 2004.

14
15 Christine B. Hoberg
16 CHRISTINE B. HOBERG
17 Respondent

18 I have read and fully discussed with Respondent Christine B. Hoberg the terms
19 and conditions and other matters contained in the above Stipulated Settlement and Disciplinary
20 Order. I approve its form and content.

21 DATED: January _____, 2004.

22 _____
23 LEIGH A. KIRMSSE
24 Legal Strategies, Group, A Law Corporation
25 5905 Christie Avenue
26 Emeryville, California 94608-1925

27 Attorney for Respondent Christine B. Hoberg
28

Leigh Kirmsse

(925) 681-1630

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Legal Strategies Group

(FAX)510 450 9601

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1 14. In consideration of the foregoing admissions and stipulations, the parties
2 agree that the Board may, without further notice or formal proceeding, issue and enter the
3 following Disciplinary Order:

4 DISCIPLINARY ORDER

5 IT IS HEREBY ORDERED that Certified Public Accountant Certificate No.
6 39902 issued to Respondent Christine B. Hoberg is revoked.

7 ACCEPTANCE


8 I have carefully read the above Stipulated Settlement and Disciplinary Order and
9 have fully discussed it with my attorney, Leigh A. Kirmsse. I understand the stipulation and the
10 effect it will have on my Certified Public Accountant Certificate. I enter into this Stipulated
11 Settlement and Disciplinary Order voluntarily, knowingly, and intelligently, and agree to be
12 bound by the Decision and Order of the California Board of Accountancy.

13 DATED: January ____, 2004.

14
15 CHRISTINE B. HOBERG
16 Respondent

17
18 I have read and fully discussed with Respondent Christine B. Hoberg the terms
19 and conditions and other matters contained in the above Stipulated Settlement and Disciplinary
20 Order. I approve its form and content.

21 DATED: January 29, 2004.

22 
23 LEIGH A. KIRMSSE
24 Legal Strategies Group, A Law Corporation
25 5905 Christie Avenue
26 Emeryville, California 94608-1925

27 Attorney for Respondent Christine B. Hoberg
28

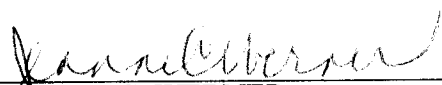
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ENDORSEMENT

The foregoing Stipulated Settlement and Disciplinary Order is hereby respectfully submitted for consideration by the California Board of Accountancy of the Department of Consumer Affairs.

DATED: January 30, 2004.

BILL LOCKYER, Attorney General
of the State of California



JEANNE C. WERNER
Deputy Attorney General
Attorneys for Complainant

**BEFORE THE
CALIFORNIA BOARD OF ACCOUNTANCY
DEPARTMENT OF CONSUMER AFFAIRS
STATE OF CALIFORNIA**

In the Matter of the Accusation Against:

CHRISTINE B. HOBERG
1560 Arbor Avenue
Los Altos, California 94024

Certified Public Accountant
Certificate No. 39902,

Respondent.

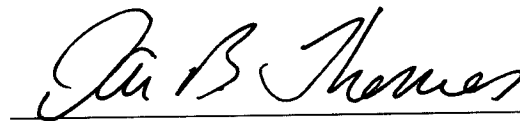
Case No. AC 2004-19

DECISION AND ORDER

The attached Stipulated Settlement and Disciplinary Order, revoking Certified Public Accountant Certificate No. CPA 39902 issued to Christine B. Hoberg is hereby adopted by the California Board of Accountancy, Department of Consumer Affairs, as its Decision in this matter.

This Decision shall become effective on April 1, 2004.

It is so ORDERED March 2, 2004.



IAN B. THOMAS, President

For The CALIFORNIA BOARD OF ACCOUNTANCY
CALIFORNIA DEPARTMENT OF CONSUMER AFFAIRS

1 BILL LOCKYER, Attorney General
of the State of California
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9 **BEFORE THE**
CALIFORNIA BOARD OF ACCOUNTANCY
10 **DEPARTMENT OF CONSUMER AFFAIRS**
11 **STATE OF CALIFORNIA**

12 In the Matter of the Accusation Against:

Case No. AC 2004-19

13 CHRISTINE B. HOBERG
1560 Arbor Avenue
14 Los Altos, California 94024

ACCUSATION

15 Certified Public Accountant
Certificate No. CPA 39902,

16 Respondent.
17

18 The Complainant alleges:

19 **PARTIES and JURISDICTION**

20 1. The Complainant herein, Carol Sigmann, brings this Accusation under Business
21 and Professions Code Section 5100 solely in her official capacity as the Executive Officer of the
22 California Board of Accountancy, Department of Consumer Affairs ("Board").

23 2. On or about March 16, 1984, the Board issued Certified Public Accountant
24 Certificate Number 39902 to the Respondent herein, Christine B. Hoberg, to practice public
25 accountancy in the State of California pursuant to the California Accountancy Act (Division 3,
26 Chapter 1, Section 5000 et seq. of the California Business and Professions Code). During the
27 1998 to April 2002 time period relevant herein, the status of the Certified Public Accountant
28 Certificate is set forth below:

- 1 a. The Certificate was expired from July 1, 1995 through June 25, 2000.
- 2 b. The Certificate was renewed in an "inactive" status effective June 26,
- 3 2000 through June 30, 2001.
- 4 c. The Certificate expired on July 1, 2001, and has not been renewed.

5 3. This Accusation is brought before the Board under the authority of Section 5100

6 of the Business and Professions Code,¹ which provides, in relevant part, that, after notice and

7 hearing the board may revoke, suspend or refuse to renew any permit or certificate granted, or

8 may censure the holder of that permit or certificate, for unprofessional conduct which includes.

9 but is not limited to, one or any combination of the causes specified therein, including the

10 suspension or revocation of the right to practice before any governmental body or agency (Code

11 Section 5100(h)).

12 4. Code sections 118(b) and 5109 provide in pertinent part that the suspension,

13 expiration, cancellation, or forfeiture of a license issued by the Board shall not, deprive the Board

14 of its authority to investigate, or to institute or continue a disciplinary proceeding against, a

15 licensee upon any ground provided by law, or to enter an order suspending or revoking the

16 license or otherwise taking disciplinary action against the licensee on any such ground.

17 **FIRST CAUSE FOR DISCIPLINE**

18 Suspension of Right to Practice Before a Governmental Body or Agency

19 [Business and Professions Code Section 5100(h)]

20 5. Respondent is subject to disciplinary action under section 5100(h) in that her right

21 to practice before a governmental body or agency has been suspended or revoked. The

22 circumstances are that, effective on or about September 24, 2003, in an Order² resolving an

23 administrative proceeding before the United States Securities and Exchange Commission ("SEC")

24 _____

25 1. All statutory references are to the Business and Professions Code unless otherwise

26 indicated.

27 2. The Commission's Order is entitled *Order Instituting Administrative Proceedings*

28 *Pursuant to Rule 102(e) of the Commission's Rules of Practice, Making Findings, and*

Imposing Remedial Sanctions.

1 or "Commission"), entitled *In the Matter of Christine B. Hoberg, CPA* (SEC Administrative
2 Proceeding No. 3-11267), Respondent was suspended from appearing or practicing before the
3 SEC as an accountant. The Commission's Order further provides that Respondent may request
4 that the Commission consider Respondent's reinstatement after five years from the effective date
5 of the Commission's Order, if certain conditions are met, including current state CPA licensure.

6 6. Certain findings, which are set forth in the Commission's Order in the
7 administrative action, are summarized as follows:

8 a. Respondent Hoberg has been a certified public accountant licensed in
9 California.³ Respondent served as Chief Financial Officer of Nvidia Corporation ("Nvidia" or
10 "Company") from 1998 until April 2002.

11 b. Nvidia was, at all relevant times, a Delaware corporation headquartered in
12 Santa Clara, California, engaged in the business of developing and marketing graphics processors
13 and media and communication devices. At all relevant times, Nvidia's common stock was
14 registered with the Commission pursuant to Section 12(g) of the Securities Exchange Act of
15 1934 ("Exchange Act") and was traded on the NASDAQ National Market.

16 c. On September 11, 2003, the Commission filed a civil complaint, in United
17 States District Court, Northern District of California, San Jose Division, against Respondent
18 Hoberg in *SEC v. Christine Hoberg* (Civil Action No. 03-04135 HRL).

19 d. The Commission's complaint alleged, among other things, that Hoberg
20 engaged in actions that resulted in Nvidia filing a materially false financial statement in the
21 Company's Form 10-Q for the quarter ended April 30, 2000. The complaint alleged that Hoberg
22 engaged in improper accounting practices that materially increased Nvidia's gross profit, net
23 income and earnings per share for the quarter in a departure from generally accepted accounting
24 principles. As alleged, these practices included participating in structuring a transaction to
25

26 3. Respondent was licensed by the Board as a CPA during that time period. As set forth in
27 paragraphs 2 and 4 above, Respondent's certificate is subject to discipline by the Board in that
28 it was either renewed or in an expired status (and susceptible to renewal) during the time period
relevant herein.

1 conceal Nvidia's obligation to repay certain cost reductions from a supplier in future periods. In
2 addition, the complaint alleged that Hoberg failed to disclose material information regarding
3 Nvidia's books and records to Nvidia's independent auditors.

4 e. On September 18, 2003, the court entered an order permanently enjoining
5 Hoberg, by consent, from future violations of sections 10(b) and 13(b)5 of the Exchange Act and
6 Rules 10b-5, 13b2-1 and 13b2-2 thereunder. Hoberg was also ordered to pay \$494,332.84 in
7 disgorgement of ill-gotten gains, and \$102,362.15 in prejudgment interest. She was also ordered
8 to pay a \$75,000 civil money penalty.

9 7. Respondent consented to the entry of the Commission's Order Instituting
10 Administrative Proceedings Pursuant to Rule 102(e) without admitting or denying the
11 Commission's findings, except as to personal and subject matter jurisdiction, and the matters set
12 forth in paragraph 6.c. and 6.e. above, which Respondent admitted.

13 8. Incorporating by reference the matters alleged in paragraphs 5 through 7 above,
14 cause for discipline of Respondent Hoberg's license is established under Code Section 5100(h).

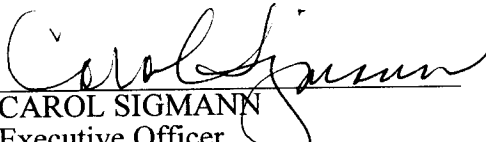
15 **PRAYER**

16 WHEREFORE, Complainant requests that a hearing be held on the matters herein
17 alleged, and that following the hearing, the California Board of Accountancy issue a decision:

18 1. Revoking, suspending or otherwise imposing discipline upon Certified Public
19 Accountant Certificate Number 39902, issued to Christine B. Hoberg;

20 2. Taking such other further action as may be deemed proper.

21
22 DATED: January 22, 2004.

23 
24 CAROL SIGMANN
25 Executive Officer
26 California Board of Accountancy
27 Department of Consumer Affairs
28 State of California
Complainant

27 AccHobergAC2004-19 01.20.04